



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-017]

Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission of Administrative Review in Part; and Intent to Rescind in Part; 2021

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain passenger vehicle and light truck tires from the People's Republic of China (China) during the period of review (POR), January 1, 2021, through December 31, 2021. We are rescinding the review with respect to fifteen companies and announcing our preliminary intent to rescind this review with respect to four companies. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Richard Roberts, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-2631.

SUPPLEMENTARY INFORMATION:

Background

On August 10, 2015, Commerce published in the *Federal Register* the countervailing duty order on certain passenger vehicle and light truck tires from China.¹ On October 11, 2022, Commerce published in the *Federal Register* the notice of initiation of an administrative review

¹ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902 (August 10, 2015) (*Order*).

of the *Order* for the period January 1, 2021, through December 31, 2021.² On December 22, 2022, Commerce selected Qingdao Keter International Co., Limited (Keter) and Shandong Haohua Tire Co., Ltd. (Haohua) as the mandatory respondents; however, on December 23, 2022 and January 3, 2023, Keter and Haohua timely withdrew their requests for an administrative review, respectively.³ As a result, on January 12, 2023, Commerce selected Shandong Province Sanli Tire Manufactured Co., Ltd. (Sanli) as a mandatory respondent.⁴

On January 13, 2023, Sanli attempted to withdraw its request for an administrative review,⁵ but we rejected it as untimely.⁶ On January 23, 2023, we issued an initial questionnaire to the Government of China (GOC) requesting information on programs which may constitute subsidies under U.S. law that were used by the respondent, Sanli.⁷ On February 6, 2023, Sanli provided a notice of intent not to participate in this review.⁸ On February 6, 2023, in response to Sanli's notice, Commerce selected Zhongce Rubber Group Co., Ltd. (Zhongce) as an additional mandatory respondent.⁹ On February 7, 2023, Commerce requested that the GOC forward the initial questionnaire to Zhongce.¹⁰ On February 10, 2023, Zhongce provided a notice of intent not to participate in this review.¹¹ We received no response from the GOC to Commerce's initial questionnaire.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.¹² A list of topics discussed in the Preliminary Decision

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 61278 (October 11, 2022) (*Initiation Notice*).

³ See Keter's Letter, "Withdrawal of Request for Administrative Review," dated December 23, 2022; and Haohua's Letter, "Withdrawal of Request for Administrative Review," dated January 3, 2023.

⁴ See Memorandum, "Second Respondent Selection," dated January 12, 2023.

⁵ See Sanli's Letter, "Second Respondent Selection," dated January 13, 2023.

⁶ See Memorandum, "Denial of a Late Withdrawal of Review Request," dated January 20, 2023.

⁷ See Commerce's Letter, "2021 Countervailing Duty Administrative Review of Passenger Vehicle and Light Truck Tires from the People's Republic of China: Selection of Additional Mandatory Respondent," dated February 7, 2023.

⁸ See Sanli's Letter, "Notice of Intent Not to Participate," dated February 6, 2023.

⁹ See Memorandum, "Selection of Zhongce Rubber Group Co., Ltd. as Additional Mandatory Respondent," dated February 6, 2023.

¹⁰ See Commerce's Letter "Selection of Additional Mandatory Respondent," dated February 7, 2023.

¹¹ See Zhongce's Letter, "Notice of Intent Not to Participate & Withdraw as Counsel," dated February 10, 2023.

¹² See Memorandum, "Decision Memorandum for the Preliminary Results of Countervailing Duty Administrative Review, Recission in Part, and Preliminary Intent to Rescind in Part; 2021: Certain Passenger Vehicles and Light

Memorandum is included as the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the *Order*

The products covered by the *Order* are certain passenger vehicle and light truck tires from China. For a complete description of the scope, *see* the Preliminary Decision Memorandum.¹³

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each subsidy program found countervailable, we preliminarily find that there is a subsidy, (*i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific).¹⁴ For a full description of the methodology underlying our conclusions, including our reliance, in part, on adverse facts available (AFA) pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received timely-filed withdrawal requests with respect to the fourteen following companies: (1) Sumitomo Rubber (Hunan) Co.,

Truck Tires from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

¹³ *Id.*

¹⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Ltd; and (2) Sumitomo Rubber (Changshu) Co., Ltd, (collectively, Sumitomo);¹⁵ (3) Giti Tire Global Trading Pte. Ltd; (4) Giti Radial Tire (Anhui) Company Ltd; and (5) Giti Tire (Fujian) Company Ltd., (collectively, Giti Companies);¹⁶ (6) Roadclaw Tyre (Hong Kong) Limited (Roadclaw); (7) Winrun Tyre Co., Ltd (Winrun);¹⁷ (8) Hankook Tire China Co., Ltd; and (9) Jiangsu Hankook Tire Co., Ltd, (collectively, Hankook);¹⁸ (10) Qingdao Keter International Co., Limited;¹⁹ (11) Qingdao Lakesea Tyre Co., Ltd.; (12) Shandong Haohua Tyre Co., Ltd.; and (13) Zhaoqing Junhong Co., Ltd;²⁰ and (14) Mayrun Tyre (Hong Kong) Limited (Mayrun),²¹ pursuant to 19 CFR 351.213(d)(1).²² Because the withdrawal requests were timely filed, and no other parties requested a review of these companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the *Order* with respect to these fourteen companies noted above.

Intent to Rescind Administrative Review, in Part

It is Commerce's practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.²³ Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.²⁴ Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can

¹⁵ In the *Initiation Notice*, Sumitomo Rubber Industries, Ltd. was inadvertently listed as a company for which a review was requested, however, a review was only requested with respect to its subsidiaries, Sumitomo Rubber (Hunan) Co., Ltd and Sumitomo Rubber (Changshu) Co., Ltd.

¹⁶ See Giti Companies' Letter, "Withdrawal of Request for Review," dated October 26, 2022.

¹⁷ See Roadclaw and Winrun's Letter, "Withdrawal of Request for Administrative Review," dated November 15, 2022.

¹⁸ See Hankook's Letter, "Withdrawal of Request for Administrative Review," dated December 16, 2022.

¹⁹ See Keter's Letter, "Withdrawal of Request for Administrative Review," dated December 23, 2022.

²⁰ See Lakesea, Haohua, and Zahoqing's Letter, "Withdrawal of Request for Administrative Review," dated January 3, 2023.

²¹ See Mayrun's Letter, "Withdrawal of Request for Administrative Review," dated January 9, 2023.

²² See Preliminary Decision Memorandum at "Partial Rescission of Administrative Review."

²³ *Id.*

²⁴ See 19 CFR 351.212(b)(2).

instruct U.S. Customs and Border Protection (CBP) to liquidate at the calculated countervailing duty assessment rate calculated for the review period.²⁵

According to the CBP import data on the record, there are four companies subject to this review that did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended: (1) Qingdao Fullrun Tyre Corp., Ltd.; (2) Shandong Changfeng Tyres Co., Ltd.; (3) Shandong Duratti Rubber Corporation Co., Ltd.; and (4) Shandong Transtone Tyre Co., Ltd. Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR, we intend to rescind this administrative review with respect to these four companies, in accordance with 19 CFR 351.213(d)(3).

Preliminary Results of Review

As a result of this administrative review, we preliminarily find that the following net countervailable subsidy rates exist for the period January 1, 2021, through December 31, 2021:

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Shandong Province Sanli Tire Manufactured Co., Ltd.	125.50
Zhongce Rubber Group Co., Ltd.	125.50

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respondents listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. If the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

²⁵ See 19 CFR 351.213(d)(3).

For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts for the producer/exporters shown above. Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

For the companies for which this review is rescinded with these preliminary results, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period July 13, 2020, through December 31, 2021, in accordance with 19 CFR 351.212(c)(1)(i).

Disclosure

Normally, Commerce discloses its calculations and analysis performed in connection with the preliminary results to interested parties within five days of its public announcement, or if there is no public announcement, within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily applied total AFA in the calculation of the benefit for Sanli and Zhongce, and the applied AFA rates are based on rates calculated in prior segments of the proceeding, there are no calculations to disclose.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the publication of these preliminary results of review in the *Federal Register*.²⁶ Rebuttal comments, limited to issues raised in case

briefs, may be submitted no later than seven days after the deadline for filing case briefs.²⁷

Parties who submit case or rebuttal briefs in this administrative review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.²⁸ Case and rebuttal briefs must be filed using ACCESS.²⁹ An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.³⁰

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using ACCESS. An electronically-filed request must be received successfully, and in its entirety, by ACCESS by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice. Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. If a request for a hearing is made, parties will be notified of the date and time for the hearing to be determined.

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of

²⁶ See 19 CFR 351.309(c)(1)(ii).

²⁷ See 19 CFR 351.309(d).

²⁸ See 19 CFR 351.309(c)(2) and 351.309(d)(2).

²⁹ See 19 CFR 351.303.

³⁰ See 19 CFR 351.309; 19 CFR 351.303 (for general filing requirements); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Notification to Interested Parties

These preliminary results and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: May 1, 2023.

Lisa Wang,
Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Partial Rescission of Administrative Review
- V. Intent to Rescind Administrative Review, In Part
- VI. Diversification of China's Economy
- VII. Use of Faces Otherwise Available and Application of Adverse Inferences
- IX. Recommendation

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